

NOTICE TO PROVIDERS OF PROFESSIONAL SERVICES
FOR
CERTIFIED ENERGY MANAGERS OR PROFESSIONAL ENGINEERS

The Department of Business, Economic Development, and Tourism anticipates the need to engage the following professional services from energy auditors possessing either a valid certification as a Certified Energy Manager (CEM) from the Association of Energy Engineers or a valid license as a Professional Engineer (PE). Experience with energy engineering, energy applications, utility rates and tariffs, and familiarity with process applications and practices of the particular industry are recommended for energy auditors. Professional services may be provided by occupation series contained in the U.S. Office of Personnel Management's (OPM) Qualifications Handbook for Administrative and Management Positions under GS-0801, General Engineering Series.

The period of performance for this project is anticipated to be from August 2012 to February 2014.

The estimated available funding for this project is \$100,000.

Under the requirements of Section 103D-304 HRS, the Director of the Department of Business, Economic Development, and Tourism is authorized to invite interested individuals or firms engaged in providing professional services for inclusion on a list of professionals to be considered for this project. Projects under this Professional Services contract will be funded, in whole or in part, with funds appropriated by federal and other funds. The goals for these programs are to increase energy efficiency, preserve and create jobs and promote economic development in Honolulu, Maui, and Hawaii counties rural sectors. Full details of this solicitation may be accessed on the State Procurement Office website via the following URL: <http://hawaii.gov/spo> > Toolbox/QuickLinks on the right side of page >For Vendors, Contractors & Service Providers >Opportunities to Compete for Contracts> Procurement Notices for Solicitations> Procurement Notices for Solicitations; click on link to procurement notices for solicitations, requests for interest/information, etc. >[Define Your Search] > Select an Agency: Department of Business, Economic Development and Tourism>Category: Professional Services (Leave all other boxes blank)> click on "Search">More Info>View Solicitation Information.

The publish date for this solicitation is May 25, 2012.

SCOPE OF WORK:

The Scope of Work provides for investment grade energy audits in rural sectors of Oahu, Big Island (Hawaii), Maui, Lanai, and Molokai, in accordance with Energy Audit Guidelines of the U.S. Department of Agriculture (USDA) (Exhibit 4A). Primary funding for the audits is provided by the USDA through a Rural Business and Cooperative Services Grant Agreement (Hawaii Energy Audit Program for Eligible Rural Small Businesses and Farmers in Oahu, Maui, and Hawaii) managed by the Department of Business, Economic Development, and Tourism (STATE). The project will be

carried out with support and in partnership with Hawaii Energy and the Counties of Honolulu, Maui, and Hawaii. The scope of work for the project may require a range of support, including, but not limited to, locating eligible applicants, preparation of energy audits, and completion of an Energy Studies Application to obtain additional incentives for rural businesses and farmers, and reporting.

The Contractor(s) may provide the following services as directed by a number of work orders that may include, but not be limited to:

TASK A. Develop an application for an Investment Grade Energy Audit and Audit Format.

1. Develop an application for an energy audit that will include business/farmer and project information, including DUNS number, federal tax identification number, North American Industry Classification System (NAICS) code, among others; facility and process information (rural business/farm buildings, systems, processes, etc), objective of the energy audit; estimated cost; estimated time to conduct audit; potential energy conservation measures; estimated energy savings; estimated cost savings; energy audit methodology; and an energy audit report format. Application will also include a certification that the site (business/farm) where the project will be located is in a rural area.
2. Develop an energy audit report format which shall include sufficient information to provide a technical and economic analysis of potential energy savings projects in a facility, along with a financial analysis that provides the facility owner/manager or a lender with sufficient information to judge the technical and economic feasibility of the recommended efficiency measures and justify project implementation. The audit format shall be consistent with Hawaii Energy's Energy Study Report Format (Exhibit 4B. and USDA requirements, and will include, but not be limited to:
 - a. Situation report. Narrative description of the facility or process being audited; its energy system(s) and usage; its activity profile; and the price per unit of energy, paid by the customer on the date of the audit. Any energy conversion data will be based on use and source.
 - b. Potential improvements. List of specific information regarding all potential energy-saving opportunities and the associated cost.
 - c. Technical analysis. Discussion of the interactions of the potential improvements with existing energy systems, including:
 - 1) Estimation of the annual energy and energy costs savings expected from each improvement identified for the potential project.
 - 2) Estimation of all direct and attendant indirect costs of each improvement.
 - 3) Ranking of potential improvement measures by cost-effectiveness
 - d. Potential improvement description. Provide a narrative summary of the potential improvements and detailed energy efficiency benefits, including a discussion of non-energy benefits such as project reliability and durability.

- 1) Provide preliminary specifications for critical components.
 - 2) Provide preliminary drawings of project layout, including any related structural changes.
- e. Document baseline data compared to projected consumption, together with any explanatory notes. Provide the actual total quantity of energy used (BTU) in the original building and/or equipment in the 12 months prior to the energy efficiency project supported by the audit, and the projected energy usage after the energy efficiency project, including the produced total quantity of energy used (BTU) on an annual basis for the same size or capacity as the original building or equipment. For energy efficiency improvements to equipment, if the new piece of equipment has a different capacity than the piece of equipment being replaced, the projected total quantity of energy used for the new piece of equipment shall be adjusted based on the ratio of the capacity of the replaced piece of equipment to the capacity of the new piece of equipment. When appropriate, show before-and-after data in terms of consumption per unit of production, time or area. Include at least one year's bills for those energy sources/fuel types affected by this project. Also submit utility rate schedules, if appropriate.
 - f. Identify significant changes in future related operations and maintenance costs.
 - g. Describe explicitly how outcomes will be measured annually.
 - h. Sophisticated modeling may be used.
2. Provide the draft application and energy audit report format to STATE for review and approval.

TASK B. Identify eligible applicants, complete application form and supporting documents, and submit application to STATE for approval.

1. Work jointly with the State, Counties, utilities, and Hawaii Energy to identify qualified applicants who would benefit from these services.
2. Submit a preliminary application form, preliminary description of the project, and a preparatory analysis for each eligible applicant to STATE for review, approval and issuance of an issuance of a written Notice to Proceed for the energy audit. Supporting documents include:
 - a. A certified check or money order from the applicant (agricultural producer or rural small business) for 25% of the total cost to complete the audit. (The USDA requires that the recipient of an energy audit under its grant must pay at least 25 percent of the cost of the energy audit, which shall be retained by the STATE for the cost of the audit and that the STATE document that it has collected 25 percent of the cost to complete the audit.)
3. Submit the draft Energy Audit application, cost estimate, and supporting documents to STATE for review and approval. Supporting documents include, but are not limited, to:

- a. A completed Hawaii Energy *Energy Studies Application* for incentives for energy studies. The Hawaii Energy incentive for an energy study may be 50% of audit cost with a maximum of \$15,000.

TASK C. Complete the Final Investment Grade Audit for applicant and submit it along with all other required documents to STATE for verification, acceptance, and approval for payment.

1. Eligible costs for audits include: wages for preparatory analysis; writing and review; travel; office expenses all of which are directly related to preparing the audit.

TASK D. Reports

1. Provide project narrative, technical, special, and financial status reports, as appropriate, in a format approved by STATE on a weekly, monthly, quarterly, semi-annual, or annual basis as determined by STATE in a format determined by STATE. All reports shall be submitted in hard copy and electronic copy, preferably MS Word or Excel.

SUBMITTAL REQUIREMENTS

Expressions of Interest from individuals or firms who wish to be considered in the selection for this project, along with the information requested in items 1 through 7 below, must be received by Wednesday, June 13, 2012, 11:00 a.m. (HST) at:

Department of Business, Economic Development and Tourism
Strategic Industries Division
Attn: Susan Gray-Ellis
250 S. Hotel Street, Room 504
Honolulu, HI 96813

NOTE: Fax or electronic transmittals will not be accepted.

1. Expression of Interest. A letter stating Offerors expression of interest in the project. Send a separate email to sgray-ellis@dbedt.hawaii.gov with your intent to apply for this solicitation. Your contact information should include phone number and email address for notification of addenda or additional advertisement in the future, if necessary.
2. Completed CIP DPW Form 120 (Revised 6/99) (original + 5 copies + 1 CD with PDF file). The CIP DPW Form may be downloaded from www.hawaii.gov/forms. Go to "Browse by Agency" on the left-side of the page. Click on Department of Accounting and General Services, then from the list of forms, scroll to "CIP DPW-120 Questionnaire for Architects, Engineers & Other Professional Services".
3. Statement of qualifications (SOQ) for each discipline highlighting the firm's qualifications, expertise and experience (original + 5 copies + 1 CD with PDF file). SOQ

must list licensed or certified personnel in the discipline. Limit SOQ write-up to five (5) pages.

4. Proof of Insurance for:

- a. General liability for limit of not less than \$500,000 per occurrence and \$1,000,000 aggregate. The STATE shall be named as additional insured.
- b. Automobile liability insurance for limit of not less than \$1,000,000 per accident, \$1,000,000 per person and \$1,000,000 per property damage.
- c. Contractor(s) will maintain in full force and effect, at all times during the term of the contract the following insurance liability coverage:
 - 1). Workers Compensation
 - 2). Temporary Disability Insurance
- d. Contractor(s) should agree by entering into a contract or Agreement with the State to a Waiver of Subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit Contractor(s) to enter into a pre-loss agreement to waive subrogation without an endorsement, the Contractor (s) should agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent.

If a firm is not able to provide the above insurance certificates at this time, a letter from an insurance company, stating they will insure the firm, if selected, for the insurance policies and the amount of minimum coverage required above, will be accepted as proof of insurance.

5. Statement indicating any conflicts of interest in performing services for DBEDT and/or the State of Hawaii. List membership on State boards, commissions, etc. For additional information, please refer to the State Ethics Code, Chapter 84, Hawaii Revised Statutes, or go to the Hawaii State Ethics Commission Web site at <http://hawaii.gov/ethics/>.
6. Qualifications Questionnaire. Provider must submit a completed *Qualifications Questionnaire*, provided herein (Exhibit 1.A).
7. The names and phone numbers of up to three clients who may be contacted including at least two for whom services were rendered during the preceding year. Complete Exhibit 2.A., Contractor References and Subcontractor References, if applicable.

EVALUATION

A review committee will evaluate SOQs received by the deadline to determine whether the Offeror(s) is/are qualified to provide the services described in the Scope of Services. Submittal requirements will be ranked on a pass/fail basis.

Qualified Offerors will then be evaluated by a selection committee using the criteria attached. Selection of professionals will be made in accordance with Section 103D-304, Hawaii Revised Statutes and Section 3-122, Subchapter 7, Hawaii Administrative Rules, as amended. The selection criteria employed in descending order of importance shall be:

1. Experience and professional qualifications relevant to the project type.
Note that qualifications may include accreditations such as CEM.
2. Past performance on projects of similar scope for public agencies or private industry.
3. Capacity to accomplish the work in the required time.
4. Any other criteria as determined by the selection committee to be relevant or necessary, including, but not limited to, approach, work plan, schedule; financials; understanding of Investment Grade Energy Audit issues; and budget.

See attached evaluation criteria sheet for additional details.

GENERAL INFORMATION

1. As a condition of award of a contract for professional services over \$2,500, the selected contractor is required to register and submit a Certificate of Vendor Compliance obtained through the Hawaii Compliance Express.

The Hawaii Compliance Express (HCE) allows businesses to register online through a simple interface at <http://vendors.ehawaii.gov/hce/splash/welcome.html>. The HCE provides you with a "*Certificate of Vendor Compliance*" with your current compliance status as of the issuance date. The certificate is acceptable for both contracting purposes and final payment. To use the new HCE services, you must pay an annual subscription fee of \$12.00 to the Hawaii Information Consortium, LLC (HIC). This fee may be renewed annually.

NOTE: The process to obtain the compliance documents may take four to six weeks. If the selected Offeror does not already have the necessary compliance certificate, it may be too late to begin this process at the time of award. Therefore, it is strongly suggested that all Offerors immediately apply to obtain the Certificate of Vendor Compliance

certificate, if needed. Non-compliance may be grounds to move on to the next responsible, responsive Offeror.

2. Incomplete submittals: Submittals received by the due date, but with missing or deficient items, will be considered “incomplete.” Applicants will be notified of the deficiencies and will have five (5) working days from the notification date to submit all the required items or their submittal will be considered “late.”
3. Late submittals: Submittals received after the above due date and time will be considered “late” and will be ineligible for this solicitation.
4. Campaign contributions by State and County Contractors: Contractors are hereby notified of the applicability of Section 11-205.5, HRS, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. For more information, contact the Campaign Spending Commission at (808)586-0285 or go to their website at <http://www.hawaii.gov/campaign>.
5. Selection of professionals will be made in accordance with Section 103D-304, Hawaii Revised Statutes and Section 3-122-63, Subchapter 7, Hawaii Administrative Rules, as amended.
6. The STATE reserves the right to cancel this solicitation, in whole or part, in the best interest of the STATE.
7. If a person believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld as confidential, then the head of the purchasing agency or designee who is named at the end of this solicitation should be so advised in writing and provided with justification to support the confidentiality claim. Price is not considered confidential and will not be withheld.

An Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data considered confidential. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

Pursuant to HAR Section 3-122-58, the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination in accordance with HRS Chapter 92F. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with HRS Section 92F-42(12).

8. The contents of any submission shall not be disclosed during the review, evaluation, discussion, or negotiation process. Once the award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the State agree are confidential and/or proprietary should be identified by the Offerors upon submission and shall be excluded from access.
9. For any procedural questions regarding the submittal requirements, please contact Susan Gray-Ellis at ph. 587-9002 or email: sgray-ellis@dbedt.hawaii.gov

Richard C. Lim
Director
Department of Business, Economic Development & Tourism

(Internet Posting: May 25, 2012)

QUALIFICATIONS QUESTIONNAIRE

1. How many years has your organization been in business under your present business name?
2. How many years experience in this field of work has your organization had?
3. Show what projects your organization has completed in the past five (5) years that are related to this project. Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
4. Have you ever failed to complete any work awarded to you? If so, please provide a brief description, including when and where it took place and why work was not completed.
5. Has any officer or partner of your organization in the past five (5) years been an officer, partner or individual of some other organization that failed to complete a contract? If so, state name of individual, other organization and reason therefore.
6. For what entities within the State of Hawaii, other than government agencies, have you performed work and to whom do you refer? Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
7. For what State departments and county agencies of the State of Hawaii have you performed work and to whom do you refer? Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
8. Have you performed work for the U.S. Government? If so, please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
9. Have you ever performed any work for any other governmental agencies outside the State of Hawaii? If so, please include project date, name of contracting entity & contact, project description, and contract amount (if possible)



Exhibit 2A

CONTRACTOR REFERENCES

To be completed by Offeror.

OFFEROR INFORMATION

1. Name of Offeror	2. RFP Reference Number
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CLIENT #1 INFORMATION

3. Organization Name	4. Organization Address
5. Project Name	6. Project Dates Start: End:
7. Contact Name/Title	Phone

8. Scope of Services

CLIENT #2 INFORMATION

3. Organization Name	4. Organization Address
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5. Project Name		6. Project Dates Start: _____ End: _____	
7. Contact Name/Title _____ Phone _____			
8. Scope of Services			
CLIENT #3 INFORMATION			
3. Organization Name		4. Organization Address	
5. Project Name		6. Project Dates Start: _____ End: _____	
7. Contact Name/Title _____ Phone _____			
8. Scope of Services			
9. Additional Comments			
<div style="display: flex; align-items: center;">  <div> <h2 style="margin: 0;">SUBCONTRACTOR REFERENCES</h2> <p style="margin: 0;">To be completed by Offeror.</p> </div> </div>			
OFFEROR INFORMATION			
1. Name of Offeror		2. RFP Reference Number	
SUBCONTRACTOR CLIENT #1 INFORMATION			
3. Organization Name		4. Organization Address	

5. Project Name	6. Project Dates	
	Start:	End:
7. Contact		
• Name/Title		Phone
8. Scope of Services		
<h2 style="text-align: center;">SUBCONTRACTOR CLIENT #2 INFORMATION</h2>		
3. Organization Name	4. Organization Address	
5. Project Name	6. Project Dates	
	Start:	End:
7. Contact		
• Name/Title		Phone
8. Scope of Services		
<h2 style="text-align: center;">SUBCONTRACTOR CLIENT #3 INFORMATION</h2>		
3. Organization Name	4. Organization Address	
5. Project Name	6. Project Dates	
	Start:	End:

7. Contact	
. Name/Title	Phone
8. Scope of Services	
9. Additional Comments	



Exhibit 3A

SPECIAL CONDITIONS

See attached Letter of Conditions and Grant Documents for Special Conditions.

RURAL BUSINESS AND COOPERATIVE SERVICE GRANT AGREEMENT

This Grant Agreement, which includes the applicable Program Attachment, any continuation sheets, and those documents referenced in paragraph III (A) of this Grant Agreement, for the Project and Grant Amount described below and for the Program identified in the Program Attachment, is between the undersigned Grantee (also referred to herein as "you") and the United States of America acting through the Rural Business-Cooperative Service, (RBS or Grantor).

I. GRANT DESCRIPTION

1. Case No. (provided by Grantor): 61-002-0863141275	2. Grant No. (provided by Grantor): 01
3. Grantee Name: State of Hawaii, Department of Business, Economic Development and Tourism, Strategic Industries Division	4. Address of Grantee: P. O. Box 2359 , Honolulu, HI 96804
5. DUNS Number: (not applicable to individuals) 036699486	
6. Agency Approved Eligible Project Costs: \$125,000.00	7. Maximum Amount of Grant Funds: \$100,000.00
8. Grant Amount as Percent of Agency Approved Eligible Project Costs: \$100,000.00	9. Amount of Matching Funds provided by the Grantee or other eligible sources: \$25,000.00
10. Project Description. (Indicate the Project location or areas to be served, as applicable. You may elect to attach a copy of the Project description from the application if the description is current. Use continuation sheets as necessary.) Hawaii Energy Audit Program for Eligible Rural Small Businesses and Farmers in Oahu, Maui, and Hawaii.	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is [0570-0050]. The time required to complete this information collection is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. Real property acquired or improved with Grant Funds. (Provide the legal description and/or address of where the real property or other property described in block 12 below is located. Use continuation sheets as necessary).

N/A

12. Other property (e.g. equipment) acquired with Grant Funds. (Describe each item, estimated useful life, and the value of equipment. Use continuation sheets as necessary).

Item	Estimated Useful Life	Value
N/A		

II. GRANTEE REPRESENTATIONS AND WARRANTIES

The Grantee makes the following representations and warranties:

- A. If applicable, the Grantee has been duly chartered and is in good standing under the laws of the State of its charter with the power and authority to perform its obligations under this Grant Agreement, the RBS letter of conditions, the Program Regulations, and other official guidance.
- B. This Grant Agreement and the RBS letter of conditions have been duly authorized, executed, and delivered by the Grantee and such documents constitute the legal and binding agreements of the Grantee, enforceable against the Grantee in accordance with their respective terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws of general application relating to or affecting creditor's rights generally.

- C. The execution or the delivery by the Grantee of this Grant Agreement and the RBS letter of conditions; the consummation of the transactions contemplated herein or therein; and the fulfillment by the Grantee of the terms hereof or thereof, do not conflict with or violate, result in a breach of or constitute a default under any term or provision of the charter or organizational documents, as applicable of the Grantee or any law or regulation or any court or regulatory body having jurisdiction over the Grantee, or the terms of any indenture, deed of trust, mortgage, note, note agreement or instrument to which the Grantee or any of its properties is bound. The Grantee has not received any notice from any other party to any of the foregoing that a default has occurred or that any event or condition exists that with the giving of notice or lapse of time or both would constitute such a default.
- D. No approval, authorization, consent, order, registration, filing, qualification, license or permit of or with any state or Federal court or governmental agency or body having jurisdiction over the Grantee is required by the Grantee for the consummation by the Grantee of the transactions contemplated by this Grant Agreement or the RBS letter of conditions except such as have been obtained.
- E. There is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator concerning the Grantee, this Grant Agreement or the RBS letter of conditions which, if adversely determined, would have a material adverse effect on the Grantee's ability to perform its obligations under this Grant Agreement and the RBS letter of conditions.
- F. All information, reports, and other papers and data furnished to RBS by the Grantee concerning the application of the Grantee for the Grant were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give RBS a true and accurate knowledge of the subject matter and no document furnished or other written statement made to RBS in connection with the Grant contains any untrue statement of a fact material to the financial condition of the Grantee or the Project or omits to state such a material fact necessary in order to make the statements contained therein not misleading.
- G. That no adverse actions have occurred since the application was approved. No material changes will be made in the Project without prior approval of RBS.
- H. The Grantee is in compliance with, and will comply in the course of the Grant Agreement with, all applicable laws, regulations, Executive Orders, and other generally applicable requirements governing this Grant Agreement.
- I. The Grantee will use grant and matching funds only for the purposes and activities specified in the application and budget approved by the Grantor. Any uses not provided for in the approved budget must be approved in writing by the Grantor.

J. Financial Management Systems

1. Grantee will provide a financial management system in accordance with the applicable Departmental Regulations, including, but not limited to:
 - a. Accounting records that identify adequately the source and application of funds for grant-supported activities.
 - b. Effective internal control over and accountability for all grant and matching funds, property, and other assets. Grantees shall adequately safeguard all such assets and ensure that they are used solely for authorized purposes.
 - c. Verifiable records that track proportionate usage of grant and matching funds for the purposes and activities specified in the application and budget approved by the Grantor. Records must be available for review or audit by the Grantor.
2. Grantee will retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of 3 years after the final performance report is submitted to the Grantor. Records shall be retained beyond the 3-year period if any litigation, claim, or audit findings involving the records have not been resolved. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the right to access to any books, documents, papers, and records of the Grantee that are pertinent to the grant for the purpose of making audits, examinations, excerpts, and transcripts.

K. Procurement and Construction

1. Grantee will comply with the applicable Departmental Regulations procurement requirements including but not limited to standards of conduct, open and free competition, access to contractor records, and equal employment opportunity requirements.
2. Grantee will, for construction contracts in excess of \$100,000, provide performance and payment bonds for 100 percent of the contract price unless otherwise approved by the Grantor in accordance with applicable Departmental Regulations.

L. Acquired Property

1. Grantee will hold title to all real property described in Block 11 in part I, Grant Description, including improvements to land, structures, fixtures, or other things attached to the real property and all equipment described in Block 12 in part I, Grant Description. Real property and equipment described in Blocks 11 and 12 and replacement property are subject to the disposition requirements of Departmental Regulations. The Grantee must notify and obtain approval from the Grantor before disposing of (A) any real property described in Block 11 or (B) equipment with a unit

acquisition cost of \$1,000 or more for grantees covered by 7 CFR 3015 and with a current per-unit fair market value of \$5,000 and more for grantees covered by 7 CFR parts 3016 or 3019 described in Block 12.

_____ (Grantee initials)

2. If required by Grantor, record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal grant funds, and that use and disposition conditions apply to the property as provided by Departmental Regulations.

M. Reporting

In addition to any other required reporting, Grantee will after grant approval through grant completion:

1. Provide periodic reports as required by the Grantor. A SF-425, "Federal Financial Report" and a project performance report will be required on a semiannual basis (due 30 working days after end of the semiannual period). For the purposes of this grant, semiannual periods end on June 30th and December 31st. Any grant in excess of \$100,000 must also have the appropriate SF-PPR "Performance Progress Report" completed. Grantees shall constantly monitor performance to ensure that work tasks are being accomplished by the appropriate time schedules. The project performance reports shall include the following:
 - a. A comparison of actual accomplishments to the objectives established for that period;
 - b. Reasons why established objectives were not met, if applicable;
 - c. Reasons for any problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and
 - d. Objectives and timetable established for the next reporting period.
 2. Provide a final project and financial status report within 90 days after the expiration or termination of the grant.
 3. Provide outcome project performance reports and final deliverables as required by the Program Attachment.
- N. When the Grantee is an entity, the signatory(ies) on behalf of the Grantee represents that they have the requisite power and authority to sign this Grant Agreement on behalf of the Grantee.

- O. The Grantee will comply, as applicable, with Executive Order 12898, the Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973. This shall include collection and maintenance of data on the race, sex, and national origin of Grantee's membership, ownership and employees, as applicable. These data must be available to the Grantor in its conduct of Civil Rights Compliance Reviews, which will be conducted prior to grant closing and one subsequent compliance review after the final disbursement of grant funds have occurred.

III. GENERAL PROVISIONS

The Grantor and Grantee agree to the following:

- A. Any application submitted by the Grantee for this grant, including any attachments, amendments and Grantor approved budgets, are incorporated and included as part of this Grant Agreement. Any changes to these documents or this Grant Agreement must be approved in writing by the Grantor.
- B. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Grant Agreement shall not affect the remaining portions hereof.
- C. Grantor will provide Grant funds up to the Grant Amount shown in Box 7 in part I, Grant Description.
- D. If there is a conflict between this Grant Agreement and the applicable Program Regulation, the applicable Program Regulations shall prevail. If there is a conflict between this Grant Agreement and the Department Regulations, the Department Regulations shall prevail.
- E. When the date fixed for the performance of an act under this Grant Agreement is on a weekend or Federal holiday, then the performance by the close of business on the next Federal work day shall have the same force and effect as if made performed or exercised on the specified date.
- F. In addition to the regulatory and statutory authorities identified in the Program Attachment, this Grant Agreement will be governed by applicable Notices published in the Federal Register and all other applicable laws, regulations, Executive Orders, and other generally applicable requirements including those contained in the Departmental Regulations as currently codified in 2 CFR part 417 and 7 CFR parts 3000 through 3099, including, but not necessarily limited to, 7 CFR parts 3015 through 3019, 7 CFR part 3021, and 7 CFR part 3052, and successor regulations to these parts, which are incorporated into this Grant Agreement by reference.

Part 3015 of title 7 CFR shall apply to (a) state and local governments and (b) institutions of higher education, hospitals and other non-profit organizations to the extent there is not a more specific provision in 7 CFR 3016 and 3019, respectively. Part 3015 of title 7 shall also apply to individuals. For the purposes of 7 CFR 3019, "recipient" shall include commercial organizations including sole proprietorships.

G. Grant Disbursement

1. Grantee will disburse grant funds as approved by the Grantor. Requests for reimbursement may be submitted monthly or more frequently if authorized to do so by the Grantor. Ordinarily, payment will be made within 30 days after receipt of a proper request for reimbursement. Payment will be made by electronic funds transfer.
2. The Grantee shall not request reimbursement for the Federal share of amounts withheld from contractors to ensure satisfactory completion of work until after those payments are made.
3. When Grant funds are used for construction, Standard Form 271, "Outlay Report and Request for Reimbursement for Construction Programs," or other format prescribed by Grantor shall be used to request reimbursements.
4. When Grant funds are not used for construction, Standard Form 270, "Request for Advance or Reimbursement," or other format prescribed by Grantor shall be used to request reimbursements.

H. Grantee will not use Grant Funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds.

I. The Grantee will avoid conflicts of interest or the appearance of conflict of interest.

J. Without otherwise limiting any termination or other remedies available to the Grantor, the Grantor may terminate the grant in whole, or in part, whenever it is determined that the Grantee has failed to comply with the conditions of this Grant Agreement. **Unless otherwise agreed to by the Grantor in writing, this grant will terminate 1 year from the date the Grantor signs the agreement.**

K. Termination

1. RBS may terminate the Grant and any activities under the Grant at any time, whenever RBS has determined that the Grantee has failed to comply with the conditions of the Grant. RBS shall promptly notify the Grantee in writing of the determination and reasons

for the termination, together with the effective date. Termination may place for cause such as:

- a. Failure, inability, or unwillingness of the Grantee to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the application as approved by RBS in the RBS letter of conditions or this Grant Agreement.
 - b. Any representation or warranty made by the Grantee herein, in the application materials, in response to the RBS letter of conditions, or in any certificate or report furnished by or on behalf of the Grantee about any of the foregoing that proves to be false, incomplete or incorrect in any material respect;
 - c. Failure to observe or perform any of the covenants, conditions or agreements of the Grantee, which continues for thirty (30) days after written notice has been given to the Grantee specifying such default and requiring the same to be remedied;
 - d. Violation of the Program Regulations by officers, directors, employees or agents of the Grantee, that continues for a period of thirty (30) days without being rectified to the satisfaction of RBS after written notice has been given by RBS to the Grantee specifying such default and requiring the same to be rectified.
2. Within 30 days of notification of early termination, the Grantee will provide, for approval by RBS, a Termination Plan. The Grantee will not incur new commitments for the terminated portion of the Grant after notification of termination, and will cancel as many outstanding obligations as practicable.
- L. Specific references in this Grant Agreement to regulations, statutes, and forms will be deemed to refer to any successor regulations, statutes, and forms.
- M. Singular references to Grantee in this Grant Agreement will include all Grantees when there is more than one.
- N. This Grant Agreement shall be governed by Federal law.
- O. The Grantee shall allow the Grantor, or its representatives, reasonable access to the real property constructed or equipment installed with grant funds as well as any records and project performance information during its useful life.
- P. Central Contractor Registration and Universal Identifier Requirements
1. Requirement for Central Contractor Registration (CCR)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment,

whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

2. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

- a. Must notify potential subrecipients that no entity (see definition in paragraph 3 of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
- b. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

3. Definitions

For purposes of this award term:

- a. Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).
- b. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
- c. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - i. A Governmental organization, which is a State, local government, or Indian Tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization; and
 - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

d. Subaward:

- i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ____ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- iii. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

e. Subrecipient means an entity that:

- i. Receives a subaward from you under this award; and
- ii. Is accountable to you for the use of the Federal funds provided by the subaward.

Q. Reporting Subawards and Executive Compensation.

1. Reporting of first-tier subawards.

- a. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub.L. 111-5) for a subaward to an entity (see definitions in paragraph 5. of this award term).
- b. Where and when to report.
 - i. You must report each obligating action described in paragraph 1.a. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- c. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

2. Reporting Total Compensation of Recipient Executives.

a. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received--

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

b. Where and when to report. You must report executive total compensation described in paragraph 2.a. of this award term:

i. As part of your registration profile at <http://www.ccr.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

3. Reporting of Total Compensation of Subrecipient Executives.

a. Applicability and what to report. Unless you are exempt as provided in paragraph 5. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if--

- i. in the subrecipient's preceding fiscal year, the subrecipient received--
 - (C) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (D) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)
- b. Where and when to report. You must report subrecipient executive total compensation described in paragraph 3.a. of this award term:
- i. To the recipient.
 - ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

4. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- a. Subawards,
- and
- b. The total compensation of the five most highly compensated executives of any subrecipient.

5. Definitions. For purposes of this award term:

the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax-qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

IN WITNESS WHEREOF, Grantor and Grantee enter into this Grant Agreement.

Approved by an Authorized Representative of the Grantee:

MARK B. GLICK

Name (Please Print)

ENERGY PROGRAM ADMINISTRATOR

Title (Please Print)

Signature 

Date 1/20/12

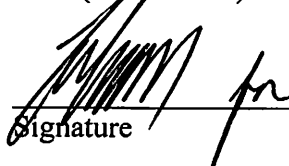
Approved for the United States of America, Rural Business Cooperative Service by:

CHRIS J. KANAZAWA

Name (Please Print)

State Director

Title (Please Print)

Signature 

Date 2/10/12

- a. Entity means all of the following, as defined in 2 CFR part 25:
 - i. A Governmental organization, which is a State, local government, or Indian tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization;
 - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- b. Executive means officers, managing partners, or any other employees in management positions.
- c. Subaward:
 - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
 - iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- d. Subrecipient means an entity that:
 - i. Receives a subaward from you (the recipient) under this award; and
 - ii. Is accountable to you for the use of the Federal funds provided by the subaward.
- e. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to

Program Attachment

PROGRAM ATTACHMENT

PROGRAM NAME: RURAL ENERGY FOR AMERICA PROGRAM

Type of Grant (check one):

- ☐ Renewable Energy System
- ☐ Energy Efficiency Improvement
- ☒ Energy Audit
- ☐ Renewable Energy Development Assistance
- ☐ Renewable Energy System Feasibility Study

AUTHORITY:

7 USC 8107

APPLICABLE REGULATIONS:

7 CFR part 4280 subpart B

ADDITIONAL PROGRAMMATIC GRANT PROVISIONS:

The Grantor and Grantee further agree to the following additional provisions:

1. Should actual project costs for the grant be lower than projected in Block 6, in part I, Grant Description, the final amount of the grant will be adjusted to remain at the percentage identified in Block 8 of the final Eligible Project Costs. Blocks 6 and 8 do not apply to Energy Audit and Renewable Energy Development Assistance grants. However, the recipient of an energy audit under the Energy Audit grant must pay at least 25 percent of the cost of the energy audit, which shall be retained by the Grantee for the cost of the audit. This must be documented in the required semiannual reports.
2. (For Renewable Energy System grants and Energy Efficiency Improvement grants). The proposed renewable energy system or energy efficiency improvements shall be constructed and/or installed in accordance with any energy audit or energy assessment recommendations, engineering recommendations, technical reports, or other applicable information provided by the Grantee and approved by the Grantor. The Grantee will own, operate, and provide for continued maintenance on the Project.
3. Paragraph II (J), Grantee Representations and Warranties, is further supplemented with the following:

Accounting records shall be in accordance with generally accepted accounting principles (GAAP) and contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, income and interest. Accounting principles that are generally required by commercial agricultural lenders may be used in lieu of GAAP for Grantees that are agriculture producers.

4. Paragraph II (M), Grantee Representations and Warranties, is further supplemented with the following:

A. (Renewable Energy System and Energy Efficiency Improvements grants)

1. Provide a final project development report which includes a detailed project funding and expense summary and a summary of facility installation/construction process including recommendations for development of similar projects by future applicants to the program.

2. Provide performance outcome reports as follows:

- a. Renewable Energy System Report. Commencing the first full calendar year following the year in which project construction was completed; and continuing for 3 additional years, a report detailing the following will be provided:
- i. Quantity of energy produced. Grantee to report the actual amount of energy produced in BTUs, kilowatt-hours, or similar energy equivalents.
 - ii. Environmental benefits. If applicable, Grantee to provide documentation that identified a health and/or sanitation problem has been solved.
 - iii. Simple payback. Grantee to provide the annual income and/or energy savings of the renewable energy system.
 - iv. Summary of the cost of operating and maintaining the facility.
 - v. Description of any maintenance or operational problems associated with the facility.
 - vi. Recommendations for development of future similar projects.
 - vii. Number of actual jobs created or saved.
- b. Energy Efficiency Improvement Report. Commencing the first full calendar year following the year in which project construction was completed and continuing for 2 additional years. Grantee will report the actual amount of energy saved due to the energy efficiency improvements.

B. (Renewable Energy System Feasibility Study grants)

1. Provide the feasibility study completed on the proposed renewable energy system.
2. Provide performance outcome reports as follows:
 - a. Commencing the first full year after the feasibility study has been completed and continuing for 2 additional years:
 - i. Is the renewable energy system for which the feasibility study was conducted underway as a result of the feasibility study findings? If yes, describe how far along the renewable energy system project is (e.g., financing has been secured, site has been secured, construction contracts are in place, project completed). If “no” discuss why the renewable energy system is not underway.
 - ii. If the renewable energy system has been constructed and is operational, provide the actual amount of energy being produced.

C. (Energy Audit and Renewable Energy Development Assistance grants)

1. The semiannual project performance reports will also:
 - a. Discuss the number of audits performed, number of recipients helped via renewable energy development assistance in the comparison of actual accomplishments to the objectives established for that period.
 - b. Include a list of recipients, each recipient’s location, and each recipient’s North American Industry Classification System code.
 - c. Include the percentage of financial resources expended on contractors.
2. Provide a final project performance report that also includes the following:
 - a. Energy Audit Report. This will be a comprehensive project performance report describing:
 - i. How objectives and timetables were met or if not met, a summary of any delays or problems that occurred.
 - ii. The number of audits conducted.
 - iii. A list of recipients with each recipient’s North American Industry Classification System code.

- iv. The location of each recipient.
 - v. The cost of each audit.
 - vi. The expected energy saved for each audit conducted.
 - vii. The percentage of financial resources expended on contractors.
- b. Renewable Energy Development Assistance Report. This will be a comprehensive project performance report describing:
- i. How objectives and timetables were met or if not met, a summary of any delays or problems that occurred.
 - ii. A list of recipients with each recipient's North American Industry Classification System code.
 - iii. The location of each recipient.
 - iv. The expected renewable energy that would be generated if renewable energy site assessment projects were implemented.
 - v. The percentage of financial resources expended on contractors.
3. Provide performance outcome reports as follows:
- a. Commencing the first full year after the grant is completed:
 - i. The Grantee will provide the Grantor a status report identifying the number of energy audit projects that proceeded with one or all of the Grantee's recommendations from the finding in the energy audit as well as the amount of energy saved for each project.
 - ii. The Grantee will provide the Grantor a status report identifying the number of renewable energy projects that proceeded with one or all of the Grantee's recommendations from technical assistance provided or from findings on the renewable energy site assessment as well as the amount of renewable energy generated for each project, as applicable.

5. Paragraph III (G), General Provisions, is further supplemented with the following:

A. (For Renewable Energy System and Energy Efficiency Improvements grants approved under the full application process and Renewable Energy System Feasibility Study grants). Grant funds will be disbursed through 90 percent of grant disbursement. The final 10 percent of grant funds will be held by the Grantor until either (i) construction of the renewable energy system is completed, operational, and has met or exceeded the test run requirements as set out in the grant award requirements, (ii) construction of the energy efficient improvement is completed and operational, as applicable or (iii) the Grantee has submitted a feasibility study acceptable to the Grantor, as applicable.

B. Unless required by third parties providing cost sharing payments to be provided on a pro-rata basis with other matching funds, grant funds will be disbursed after all other matching funds have been expended.

6. Paragraph III (J), General Provisions, is revised by replacing the last sentence with the following:

Unless otherwise agreed to by the Grantor, this grant will terminate 2 years from the date the Grantor signs the agreement. Grant funds not expended within 2 years from the date this Grant Agreement is executed will be cancelled by the Grantor. Prior to the actual cancellation, the Grantor will notify the Grantee, in writing, of the intent to cancel the remaining grant funds.



**United States Department of Agriculture
Rural Development**
Hawaii State Office – Western Pacific Region

September 26, 2011

Ms. Estrella Seese
Acting Energy Program Administrator
State of Hawaii
Department of Business, Economic Development and Tourism
Strategic Industries Division
P. O. Box 2359
Honolulu, HI 96804

Dear Ms. Seese:

Subject: Letter of Conditions

This letter establishes conditions which must be understood and agreed to by you before further consideration can be given to your application. The grant will be administered on behalf of the Rural Business and Cooperative Services (RBS) by the State staff of USDA, Rural Development. All terms and conditions outlined in the Notice dated April 14, 2011, will apply to the project and disbursement of any grant funds. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant, must be reported to and approved by USDA, Rural Development, by written amendment to this letter. If significant changes are made without obtaining such approval, Rural Development may discontinue processing of the application.

This letter is not to be considered as grant approval nor as a representation as to the availability of funds. The docket may be completed on the basis of a grant not to exceed **\$100,000.00**.

The grant will be considered approved and closed on the date a signed copy of Form 1940-1, "Request for Obligation of Funds," is mailed to you. You must agree to all terms and conditions outlined in this letter before the grant will be approved.

Please complete and return the attached Form 1942-46, "Letter of Intent to Meet Conditions," and Form 1940-1, "Request for Obligation of Funds," if you desire that further consideration be given to your application.

Room 311, Federal Building, 154 Waiʻanuenue Avenue, Hilo, Hawaii 96720,
Tel: (808) 933-8380, FAX: (808) 933-8327, TDD: (808) 933-8321
<http://www.rurdev.usda.gov>

Committed to the future of rural communities

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

The docket may be completed on the basis of the following:

1. **PROJECT FUNDS:** The use of funds must be in substantial compliance with the scope of work and project budget submitted with the grant application. Any revisions in this financing plan must have USDA-Rural Development concurrence. All documented funding must total the project amount. Grantee must maintain all receipts and other documentation for all transactions where grant and matching funds are used for the project cost and provide copies to Rural Development.
2. **GRANT AMOUNT:** The application may be completed on the basis of a grant not to exceed \$100,000.00. In the event the money from other sources is more than estimated in the project budget, Rural Development reserves the right to recalculate its funding. After paying for all authorized costs, any remaining Rural Development grant funds will be refunded to Rural Development. Any grant funds remaining more than 180 days after project completion may be de-obligated by Rural Development.
3. **RURAL AREA:** You must certify to the Agency that the energy audit(s) or renewable energy development assistance activities, as applicable, provided under the grant will be for projects that are located in a rural areas.
4. **LEVERAGED FUNDS/PROJECT FUNDS:** In accordance with the application and scope of work submitted, you must contribute \$25,000.00 from other resources. A firm funding commitment will be required from all other funding sources prior to grant disbursement.

Prior to disbursement of funds, for those grantees which are conducting energy audits, the grantee will need to document they have collected 25 percent of the cost to complete the audit from the agricultural producer or rural small business. The funds collected will be applied by the grantee to the costs incurred to complete the audit. When determining the cost of an audit, the following expenses should be included: wages for preparatory, analysis, writing and review; travel; and office expenses; all of which are directly related to preparing the audit.

5. **GRANT AGREEMENT:** The Energy Audit and Renewable Energy Development Assistance Grant Agreement, is attached for your review and will be sent to you for your signature once the obligation process is completed.
6. **INSURANCE:** Insurance coverage will be submitted for Rural Development review and concurrence prior to the start of construction. The owner and the contractor(s) should carry adequate insurance which may include the following:
 - a) Property Coverage
 - b) Liability Coverage
 - c) Worker's Compensation

- d) Grantee shall provide satisfactory evidence to Grantor that all officers of Grantee organization authorized to receive and/or disburse Federal funds are covered by such bonding and/or insurance requirements as are normally required by the Grantee.
7. **EQUAL OPPORTUNITY AND NONDISCRIMINATION REQUIREMENTS:** The Grantee will comply with Title VI of the Civil Rights Act of 1964, "Nondiscrimination in Federally ASSISTED Programs, "42 U.S.C. 2004d4, Section 504 of the Rehabilitation Act for Federally Conducted Programs and Activities, the Age Discrimination Act of 1975 and the Americans with Disabilities Act.
8. **BUSINESS OPERATION, ACCOUNTS AND RECORDS:** Prior to fund disbursement instructions being issued, you must present to Rural Development for approval:
- a) A complete set of financial records to be maintained.
 - b) A project fund tracking system will be developed and concurred in by Rural Development.
9. **INTEREST EARNED ON GRANT FUNDS:** If the Rural Business and Cooperative Services (RBS) funds are advanced, (the advance needs to be in an amount necessary to cover the RBS proportionate share of obligations due and payable by the grantee), the grantee will need to track interest earned on the advanced grant funds. Interest earned on grant funds in excess of **\$100/250** per year will be submitted to RBS at least quarterly.
10. **FUND DISBURSEMENT:** The Agency will determine, based on the applicable Departmental regulations, whether disbursement of a grant will be by advance or reimbursement. A SF-270, "Request for Advance or Reimbursement," (available in any Agency office) must be completed by the grantee and submitted to the Agency no more often than monthly to request either advance or reimbursement of funds. It is anticipated that the grant disbursement period will encompass 24 months. Grant funds will be transferred to the Grantee via Electronic Funds Transfer (EFT). The Grantee will complete and deliver to Grantor, Form SF-3881, Electronic Funds Transfer Payment Enrollment Form.
11. **REPORTING REQUIREMENTS:** Semiannual performance reports are required, in accordance with published notice and grant agreement. The grantee should provide the additional following information for each semi-annual report.
- (a) For energy audit projects,
 - (i) the number of audits conducted,
 - (ii) a list of recipients (agricultural producers and rural small businesses) with their North American Industry Classification System code,
 - (iii) the location of the recipient,

- (iv) the cost of each audit, and
 - (v) the expected energy saved for each audit conducted if the audit is implemented
- (b) For renewable energy development assistance projects,
 - (i) a list of recipients with their North American Industry Classification System code,
 - (ii) the location of the recipient, and
 - (iii) the expected renewable energy that would be generated if the projects were implemented
- 12. You must execute Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions," to certify that your organization is not debarred or suspended from government assistance.
- 13. You must obtain a certification on Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," from any person or entity you do business with as a result of this government assistance that they are not debarred or suspended from government assistance.
- 14. You must execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals," to certify that you will provide a drug-free awareness program for employees.
- 15. You must obtain prior approval from the Agency for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget can result in suspension or termination of grant funds.
- 16. You must certify that no Federal appropriated funds have been paid or will be paid for lobbying activities in accordance with 7 CFR part 3018, Appendix A, and execute SF-LLL, "Disclosure Form to Report Lobbying" or Exhibit A-1 of RD Instruction 1940-Q, "Certification for Contracts, Grants, and Loans."
- 17. You must execute Form RD 400-4, "Assurance Agreement" to certify you are in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 and other applicable Civil Rights regulations.

Ms. Estrella Seese
September 26, 2011
Page 5

18. The attached "Energy Audit Guidelines" can be used to help complete energy audits. This guide is to help provide consistency for the audits being completed for the Rural Energy for America Program.

If you have any questions, please contact Shirley Heatherly at (808) 483-8600, extension 118 or via e-mail at shirley.heatherly@hi.usda.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris J. Kanazawa", is written over the printed name and title.

CHRIS J. KANAZAWA
State Director

Enclosures

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

The scope, work and analysis shall be directed by an energy auditor. Energy auditors are defined as those processing either a valid certification as a Certified Energy Manager from the Association of Energy Engineers or a valid license as a Professional Engineer. Experience with energy engineering, energy applications, utility rates and tariffs, and familiarity with process applications and practices of the particular industry are recommended for energy auditors.

Having experience with the processes on a dairy farm, ranch or agricultural facility along with the proper credentials and experience provides the best opportunity for meaningful audits and discovering energy conservation measures worth implementing.

Comprehensive energy audits evaluate major systems, however the methodology varies, audits measure energy use over time and evaluate options to lower energy use. Audits require time and analysis as well as creative innovation requiring an understanding of the interactions of various systems in a dynamic state. Comprehensive energy audits usually will have an Executive Summary and through list of systems analyzed along with a list of recommendations.

Energy Assessments

An assessment determines the value of a particular improvement and may be thoroughly comprehensive or require more in-depth analysis. Assessments are often made by well qualified individuals on walk through audits or on the basis of a specific project driven task. Assessments do not include a comprehensive audit scope nor do they allow for the examination of every major system in the same way that energy audits regularly are organized and performed.

Baseline Energy Use

It is recommended that prior to an audit the auditor obtains 1 to 2 years of energy information. The compilation of a complete record of all utility billing for fuel oil, electric, natural gas and propane is a recommended practice. The ability to see trends, account for temperature variation and know applicable rates and tariffs, energy use, energy units and energy costs form the baseline for the Energy Auditor. Without a meaningful baseline and relevant data, Energy Audits are measurements unrelated to a realistic starting point.

The Process of Energy Auditing

Basically, the simple methodology is to understand, quantify, measure and record mechanical devices that convert energy to work. Practically, the energy audit can be a complex process requiring specialized equipment and expertise.

As an example the following would be examples of systems to be examined but not limited to:

Lighting	Fans	Engines	Irrigation Pumps and Motors	Pumps
Hot Water Systems	Heating, Ventilation and Cooling Systems	Drying Systems	Refrigeration	Control Systems
Building Envelope	Motors	Insulation	Combustion Processes	Heat Exchange

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

Comprehensive system information is required for a detailed analysis. The auditor needs to understand the technical components of the system they are looking at. For instance, in looking at lighting systems the auditor will look at the following:

LIGHTING SYSTEM
LAMPS, Type, Lumens, Voltage
BALLAST, TYPE and Draw
LUMINAIRE, LENS
ILLUMINATING ENGINEERING SOCIETY RECOMMENDATIONS
FOOT CANDLES, LUMEN OUTPUT
CONTROLS, SWITCHING, MOTION SENSORS, PHOTO SENSORS
HOURS OF OPERATION

In examining pumps an auditor needs to take into account the following:

PUMPING SYSTEM
PUMP SPEED
FLOW
PRESSURE (FEET OF HEAD)
HORSEPOWER

In examining motors an auditor needs to take into account the following:

MOTORS
MOTOR NAMEPLATE EFFICIENCY
MOTOR INSULATION CAPACITY
HORSEPOWER SIZE
FULL LOAD SPEED, VOLTAGE, LOCK ROTOR AMPS, FULL LOAD AMPS

In examining Building Envelopes an auditor needs to evaluate the following:

BUILDING ENVELOPE
RATE OF HEAT LOSS PER HOUR FOR A BUILDING R-VALUES
COEFFICIENT OF HEAT LOSS RESISTANCE U-VALUES
DEGREE DAYS, CONDUCTION HEAT TRANSFER
HEAT TRANSFER BY CONVECTION, HEAT CONDUCTIVITY

There are many systems that require an understanding of complex systems and gathering of information to determine various interactions. Details to be examined by auditors in Heating, Ventilation and Air Conditioning Systems are:

HEATING, AIR CONDITIONING AND VENTILATION
ENERGY EFFICIENCY RATIO, SEASONAL ENERGY EFFICIENCY RATIO
HEATING SEASON PERFORMANCE FACTOR, BOILER EFFICIENCY
ANNUAL FUEL UTILIZATION EFFICIENCY, , WIND VELOCITIES
COEFFICIENT OF PERFORMANCE OF A CHILLER, COOLING TOWERS
AIR FLOW, BASIC FAN LAWS, DUCT SIZE, DUCT VELOCITY
LATENT HEAT OF VAPORIZATION, WET BULB, DRY BULB

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

Each item in an audit has details and the point here is not to give a laundry list but merely emphasize that details are indeed very important in an audit. When looking at a Fan an auditor wants to know what type it is, how it is used and how much air it needs to move.

Is the size of the fan motor appropriate for the work necessary? Understanding the process of the business, farm or ranch being audited is very important.

Considering the amount of work required in an audit it is desirable to get information ahead of time if at all possible. In some cases a schedule of equipment and blue prints are available. Although experience would indicate that such plans are more often not readily available, if a set of plans with the Electrical and Mechanical specifications are available it will help to organize and orient an auditor. Always verify plans by determining that the equipment installed is the same as on any plans obtained.

Metering

Auditors should look carefully at meters, power distribution centers, transformers and verify billing and tariff options. Occasionally customers are on the wrong rate, more often a customer may benefit from power factor correction.

Energy Audit Reports

A report will usually include an Executive Summary, a detailed analysis of the audit and a list of recommendations commonly referred to as Energy Conservation Measures (ECM). Simple Payback is a common way to express the investment necessary to implement an ECM. For our purposes a simple payback method will be acceptable.

An energy investment's simple payback period is the amount of time it will take to recover the initial investment in energy savings, dividing initial installed cost by the annual energy cost savings. For example, an energy-saving measure that costs \$5,000 and saves \$2,500 per year has a simple payback of 5000 divided by 2500 or 2 years.

Record Keeping: If the producer chooses to implement recommendations from the baseline energy self-assessment to earn an enhancement payment for Energy Use Reduction, it is the responsibility of the producer, or his agents to maintain records which document energy use. Records include:

- Utility and/or fuel purchase bills
- Quantities and sources of energy applied;
- Dates (month and year) documenting energy use.
- Methods of energy use
- Actions taken to improve energy efficiency
- Removal or addition of energy use components to the farm or ranch.

Key Definitions:

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

- **Energy:** Fuels (including but not limited to, purchased propane, diesel and natural gas) and electricity used to perform stationary farm and ranch activities. This definition includes on-site renewable energy sources.
- **Energy Management:** Optimization of energy use on farms and ranches to minimize energy consumption.
- **Certified Energy Manager (CEM):** A person who has the technical qualifications to perform an agricultural energy audit. In many cases a Certified Energy Auditor will be a professional engineer.
- **Energy Source:** The type of fuel (liquid, biomass or gas), electricity or on-site renewable power used to perform farm and ranch activities.
- **Current Energy Usage:** The annual and seasonal usage, as appropriate, of grid electricity and/or natural gas and purchased fuels (liquid or gas) for stationary farm or ranch operations.

Additional Guidance

On-farm energy and other project energy use are often converted to a common unit of energy (Btu) for the purpose of recording the baseline energy use and calculating energy use reduction. Energy Professionals regularly look at water use as part of their work. Water resources are an important part of farms, ranches and rural communities. There are few natural aquifers in the world today and water is truly a scarce commodity. While the scope of the Rural Energy for America Program does not include water resources or liquid fuels for transportation purposes, we recognize the importance of fuel and water for farmers, ranchers and Rural Communities.

The Natural Resource Conservation Service, a USDA agency has tools to foster energy efficiency, support fertilization techniques that conserve energy and irrigation practices that conserve energy and water. The Agency also has program which may help provide financial assistance to implement practices which achieve these purposes, such as the Environmental Quality Incentive Program (EQIP). Information concerning the EQIP program can be found at:

<http://www.nrcs.usda.gov/programs/eqip/>

Additional Resources can be found at:

USDA, National Resource Conservation Service, Technical Resources -

<http://www.nrcs.usda.gov/technical/energy/index.html>

Energy Estimator: Animal Housing - <http://ahat.sc.egov.usda.gov/>

Energy Estimator: Irrigation - <http://ipat.sc.egov.usda.gov/>

Energy Estimator: Nitrogen - <http://nfat.sc.egov.usda.gov/>

Energy Estimator: Tillage - <http://ecat.sc.egov.usda.gov/>

Ag Propane Cost Estimator - http://www.agweb.com/Propane_Calc.

EXHIBIT 4A

U.S. DEPARTMENT OF AGRICULTURE

ENERGY AUDIT GUIDELINES

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

The scope, work and analysis shall be directed by an energy auditor. Energy auditors are defined as those processing either a valid certification as a Certified Energy Manager from the Association of Energy Engineers or a valid license as a Professional Engineer. Experience with energy engineering, energy applications, utility rates and tariffs, and familiarity with process applications and practices of the particular industry are recommended for energy auditors.

Having experience with the processes on a dairy farm, ranch or agricultural facility along with the proper credentials and experience provides the best opportunity for meaningful audits and discovering energy conservation measures worth implementing.

Comprehensive energy audits evaluate major systems, however the methodology varies, audits measure energy use over time and evaluate options to lower energy use. Audits require time and analysis as well as creative innovation requiring an understanding of the interactions of various systems in a dynamic state. Comprehensive energy audits usually will have an Executive Summary and through list of systems analyzed along with a list of recommendations.

Energy Assessments

An assessment determines the value of a particular improvement and may be thoroughly comprehensive or require more in-depth analysis. Assessments are often made by well qualified individuals on walk through audits or on the basis of a specific project driven task. Assessments do not include a comprehensive audit scope nor do they allow for the examination of every major system in the same way that energy audits regularly are organized and performed.

Baseline Energy Use

It is recommended that prior to an audit the auditor obtains 1 to 2 years of energy information. The compilation of a complete record of all utility billing for fuel oil, electric, natural gas and propane is a recommended practice. The ability to see trends, account for temperature variation and know applicable rates and tariffs, energy use, energy units and energy costs form the baseline for the Energy Auditor. Without a meaningful baseline and relevant data, Energy Audits are measurements unrelated to a realistic starting point.

The Process of Energy Auditing

Basically, the simple methodology is to understand, quantify, measure and record mechanical devices that convert energy to work. Practically, the energy audit can be a complex process requiring specialized equipment and expertise.

As an example the following would be examples of systems to be examined but not limited to:

Lighting	Fans	Engines	Irrigation Pumps and Motors	Pumps
Hot Water Systems	Heating, Ventilation and Cooling Systems	Drying Systems	Refrigeration	Control Systems
Building Envelope	Motors	Insulation	Combustion Processes	Heat Exchange

Energy Audit Guidelines
Suggested Practices and Standards for Energy Audits and Energy Auditors

Comprehensive system information is required for a detailed analysis. The auditor needs to understand the technical components of the system they are looking at. For instance, in looking at lighting systems the auditor will look at the following:

LIGHTING SYSTEM
LAMPS, Type, Lumens, Voltage
BALLAST, TYPE and Draw
LUMINAIRE, LENS
ILLUMINATING ENGINEERING SOCIETY RECOMMENDATIONS
FOOT CANDLES, LUMEN OUTPUT
CONTROLS, SWITCHING, MOTION SENSORS, PHOTO SENSORS
HOURS OF OPERATION

In examining pumps an auditor needs to take into account the following:

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RATE OF HEAT LOSS PER HOUR FOR A BUILDING
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HEATING SEASON PERFORMANCE FACTOR, BOILER EFFICIENCY
ANNUAL FUEL UTILIZATION EFFICIENCY, , WIND VELOCITIES
COEFFICIENT OF PERFORMANCE OF A CHILLER, COOLING TOWERS
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Energy Estimator: Nitrogen - <http://nfat.sc.egov.usda.gov/>

Energy Estimator: Tillage - <http://ecat.sc.egov.usda.gov/>

Ag Propane Cost Estimator - http://www.agweb.com/Propane_Calc.

EXHIBIT 4B

ENERGY STUDIES APPLICATION



Energy Studies Application

Hawaii Energy

Effective from July 2011 and subject to availability of funding lasts.

This Program is available for and funded by the Commercial and Industrial Electric Utility Customers of Hawaii, Lanai, Maui, Molokai and Oahu and is administered under the direction of the Hawaii Public Utilities Commission.

Account Name: _____ Project / Building Name: _____

Funding for this State of Hawaii program is paid for by the electric utility **ratepayers** on the Big Island, Lanai, Maui, Molokai, and Oahu. The purpose of the program is the promotion of energy efficiency to keep future electric rates as low as possible for all ratepayers while reducing Hawaii's dependence on imported fuel. To help meet this objective the program offers cash **incentives** to influence project decisions to install high efficiency equipment that would otherwise not be economically viable.

Eligibility

Standard Business Program Incentives for energy studies are available to all non-residential (i.e.: commercial, institutional, government and industrial) electric utility **ratepayers** on the Big Island, Lanai, Maui, Molokai, and Oahu.

General Information

- **Program approval is required prior to the start of work on the energy study.**
- The program reserves the right to review all materials that result from a program-supported study including, but not limited to, final reports, consultant recommendations, and metered data.
- The study must be performed by a qualified person or firm. A brief summary of the consultant's qualifications should be submitted with the application. In some cases, a professional engineer may be required to provide verification of the analysis.
- At any time, customers may contact program staff to discuss a project, get assistance in preparing an application, or with any program-related questions.

Application Process

Step 1: Customers should complete the Energy Studies Application and gather the necessary supporting information such as layouts, drawings, technical attachments, or vendor literature. **Program approval is required prior to the start of work on the energy study.**

Step 2: Mail/Fax Application & supporting documentation to:

Hawaii Energy
1132 Bishop St. Ste. 1800
Honolulu, HI 96813
(808) 441-6068
HawaiiEnergy@saic.com

Fax Number
Or email electronic copy to:

Step 3: The program will review the completed application and will contact the customer if further information or clarification is required. Upon approval, the customer will receive a written application approval notice from the program and work may begin on the energy study.

Step 4: Upon completion of the Energy Study, the customer should submit a completed study report in the format shown below. Upon receipt and verification of all required documentation, the incentive check will be issued.



Energy Studies Application

Hawaii Energy

Effective from July 2011 and subject to availability of funding lasts.

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Account Name: _____ Project / Building Name: _____

TABLE 1 - CUSTOMER AND PROJECT INFORMATION

Customer Information

Company Name:	Tax Status: <input type="checkbox"/> Corporation <input type="checkbox"/> Non-Corp. <input type="checkbox"/> Government	Number of Employees: FT: _____ PT: _____	Utility Company: <input type="checkbox"/> HECO <input type="checkbox"/> MECO <input type="checkbox"/> HELCO Account Number (Required) _____ - _____ - _____
Tax ID (SSN/FEIN):			
Mailing Address (check mailed to):	City:	State:	Zip:
Contact Name/Title:			
Email Address:	Telephone:	Fax:	
Physical Installation Address (if different from above):	City:	Zip:	

☐ Owner

☐ Lessee/Renter (If leased or rented property, **Landlord Consent Form** is required. Request form from Program Manager)

How did you hear about the program?

☐ Program Contact ☐ Utility Contact ☐ Trade Ally ☐ Direct Mail ☐ Mass Media ☐ Seminar

☐ Other _____

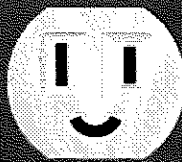
Facility Information (Provide or attach the information below if available or appropriate)

Facility Type (i.e. Hospital, Hotel, Office, Restaurant):		Business Type:	
Equipment Operating Hours:		Building Operating Hours:	
Average Yearly Occupancy (%):	Number of Floors:	Total Floor Area:	Effectuated Floor Area:

General Description of Existing Equipment (if applicable):

Proposed Energy Study (Provide or attach the information below if available or appropriate)

Objective of Energy Study	
Estimated Cost:	Estimated Time to Conduct Energy Study:
Possible Energy Conservation Measures:	
Estimated Energy Savings Resulting from Project(s):	



Energy Studies Application

Hawaii Energy

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Account Name: _____ Project / Building Name: _____

Energy Study Methodology (Provide or attach the information below if available or appropriate)

Method for Estimating Load/Process:

Monitoring Type and Duration (if applicable):

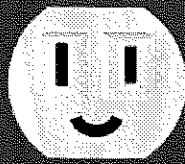
Building Simulation Program (if applicable):

Research Data (e.g. ASHRAE, ASME, Equipment Manufacturer, Department of Energy, etc):

Energy Study Report Format

The Energy Study shall include the following information and be presented in the following format:

- 1) Executive Summary
 - a) Energy Conservation Measures (ECMs) Proposed
 - b) Summary of Baseline and Enhanced Case Assumptions
 - c) Actionable Recommendations in "loading order."
- 2) Technical Information and Analysis
 - a) Energy Consumption Analysis
 - i) Two years of billing data (weatherized and compared to some pertinent operating metric)
 - b) Description of the project
 - c) Proposed Energy Conservation Measures (ECM)
 - i) Descriptive Name
 - ii) Schematic System Drawing
 - iii) Current Peak Demand (kW), Energy Usage (kWh), Effective Full Load Run Hours
 - iv) Proposed Peak Demand (kW), Energy Usage (kWh), Effective Full Load Run Hours
 - v) % Change for above
 - vi) Estimated Installation Cost
 - vii) Project timeline
 - viii) Measure Life
 - ix) Simple Payback
 - d) Base case information
 - i) Short term/spot baseline thermal, fluid, and electrical measurements for major equipment to be changed with ECMs
 - ii) Permanent metering data (This metering will qualify for additional cost assistance)
 - iii) Sizing/Performance Reviews (Pump Curves, Cooling Bin Data etc.)
 - e) Enhanced case information
 - i) How will performance be measured in the future.
 - ii) Description of where energy savings occurs (lower run time, more efficient operations etc.)
 - f) Estimated energy and demand savings associated with your proposed project
 - i) Applicable figures and tables
 - ii) Simple payback period and/or life cycle costs
 - g) Estimated costs including design, materials, and installation
- 3) Appendix
 - a) Raw and Analyzed Data (Cooling Models, Field Data, Pictures, Metering Data etc.)
 - b) Building Plans (Mechanical, Electrical Schedules, Layouts etc.)



Energy Studies Application

Hawaii Energy

Effective from July 2011 and subject to availability of funding lasts.

This Program is available for and funded by the Commercial and Industrial Electric Utility Customers of Hawaii, Lanai, Maui, Molokai and Oahu and is administered under the direction of the Hawaii Public Utilities Commission.

Account Name: _____ Project / Building Name: _____

SIGNATURE

I have read, understood, and agree to the Terms and Conditions and the application procedure detailed on this application. I further understand that Hawaii Energy Efficiency Program will report the incentive payment on IRS Form 1099 unless I have checked the corporation tax status above. I am advised to consult my tax advisor concerning the taxability of the incentive. Hawaii Energy Efficiency Program is not responsible for any taxes that may be imposed on me or my business as a result of my receipt of this incentive.

SIGNATURE _____ DATE: _____

PRINT NAME: _____ TITLE: _____

FOR PROGRAM USE ONLY

DATE RECEIVED: _____ INITIALS: _____ PRE-APPROVAL? ☐ YES ☐ NO

APPLICATION NUMBER: _____

Business Program Terms and Conditions

- 1) **Incentives**
Subject to these Terms & Conditions, the Hawaii Energy Efficiency Program (the Program) will pay incentives for the installation of Energy Efficiency Measures (EEMs) in qualified building projects.
- 2) **Eligibility**
 - a) "Customers" are electric distribution customers of Hawaii Electric Company (HECO), Maui Electric Company (MECO), or Hawaii Electric Light Company (HELCO). Incentives are awarded only to Eligible Customers or their assigned contractors for equipment that is installed in the HECO, MECO, or HELCO service area at the location identified in this Application, and such Customers are ultimately responsible for compliance with these Terms and Conditions.
 - b) "Qualifying EEMs" are those electricity-saving Energy Efficiency Measures (EEMs) that are identified in the Program applications and associated materials for the various Standard and Custom programs offered by and in effect through the program. Unless explicitly approved before installation by the Program, all installed equipment must be new, meet Program specification requirements, and be fully operable prior to incentive payment.
 - c) Incomplete applications will be returned.
 - d) For Completed Projects, Rebate Application must be received within six months of installation.
- 3) **Installation Verification and Data Collection:**
 - a) The Program may conduct an inspection of the facility to verify pre-installation conditions or confirm installation prior to incentive payment, at any time after receipt of Applications and up to up to 5 years after payment of incentives.
 - b) The Applicant must provide reasonable access to the facility, the EEM, and related documentation and data.
 - c) The Program may install metering devices on equipment for program data collection, measurement and verification purposes.
- 4) **Compliance:**
The Customer is responsible to abide by all applicable laws, rules and regulations, and to comply with all federal, state, and local codes.
- 5) **Program Availability:**
Incentives are available on a first-come, first-served basis subject to the availability of funds. Program availability, program terms and equipment eligibility may change
- 6) **Publicity:**
The Program reserves the right to publicize participation in the program for promotional purposes unless the Customer submits a written request to the Program.
- 7) **Disclaimers:**
 - a) The Program is not responsible for any tax liability imposed on the Customer as a result of the payment of incentives.
 - b) The Program does not expressly or implicitly warrant the performance of installed equipment, the quality of any contractor's work, or that the EEMs will result in any energy or cost savings.
- 8) **Indemnification and Limits of Liability:**
 - a) Customer shall hold harmless the program and the Program's agents, contractors, employees, officers and directors from any and all liability, claims, loss, damage, death or injury including reasonable attorneys' fees and costs, arising out of or relating to the installation, use and maintenance of the equipment, designs, practices or methods involved in this Customer's project.
 - b) In no event shall either the Program, or any other indemnified party be liable for any punitive, exemplary, special, indirect, incidental or consequential damages (including, but not limited to, lost profits, lost business opportunities, loss of use or equipment down time, and loss of or corruption to data) arising out of or relating to this Agreement, regardless of the legal theory under which such damages are sought.
- 9) **Entire Agreement**
The entire agreement between the Customer and the Program is composed of an approved, a fully-executed application, these Terms and Conditions, and, as applicable, pre-installation approval letters, invoices, receipts and any and all such other documentation as required without notice at the discretion of the program.

DBEDT-SID
EVALUATION RATING FORM FOR SELECTION COMMITTEE
PROFESSIONAL SERVICES NOTICE
ENERGY AUDITS FOR RURAL SMALL BUSINESSES AND FARMS

Evaluation Committee Member Name: (Please print)

Date: _____

Evaluation Committee Member Signature: _____

Offeror's Name:

PROPOSAL EVALUATION CRITERIA

The total number of points used to score this proposal is 100.

Discussion: The discussion space next to each criterion is provided for you to elaborate on any problems or instances of superior performance and should also be used to record reasons why a full score was not given for the criterion.

	Criteria	Total Possible Points	Break-down	Score	Discussion
1	Experience/Professional qualifications relevant to Investment Grade Energy Audits	55			
	a. Previous experience, capability and proficiency in gathering field data, analysis of energy consumption and identification of potential energy savings opportunities in rural small business and farm facilities, including detailed energy modeling such as EQuest, preliminary drawings; key personnel, staff resumes		20		
	b. Experience with performing technical and economic analysis of all potential energy savings measures, including analyzing project costs and savings, life cycle cost, cash flows, and other financial analysis such as that included in an Investment Grade Audit.		15		
	c. Experience with inspection of accounting systems and transaction processing efficiency; providing financial management advice to management		10		
	d. Experience with procedures and systems for compliance review, reporting and tracking energy programs		10		

Evaluation Rating Form

Professional Services Notice (Energy Audits for Rural Small Businesses and Farms)

Page 2

2.	Past performance on Projects of similar scope for public agencies or private industry	20			
	a. Number of years in business under current name; years experience with similar projects		5		
	b. Number of similar projects completed in past 5 years related to this submittal		5		
	c. Client references from current clients; judgments and pending lawsuits		10		
3.	Capacity to Accomplish Work in required time	15			
	a. Work awarded but not completed		5		
	b. Officer or partner involvement in work not completed		5		
	c. Ability to meet project objectives within budget;		5		
4.	Other Criteria	10			
	a. Approach and Comprehensiveness – Approach to carrying out Scope of Work; comprehensiveness of Proposal, including overall strategy, work plan, and schedule; understanding of Investment Grade Audit issues. Identification of roles key team members play for specific tasks performed; need for subcontractors		5		
	c. Budget; Financial information provided		5		
	TOTAL POSSIBLE POINTS:	100			

EVALUATOR'S COMMENTS, RECOMMENDATIONS FOR NEGOTIATION.